

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re TARRAGON CORPORATION
SECURITIES LITIGATION

Electronically Filed

07 Civ. 7972 (PKC)

**DECLARATION OF JENNIFER
L. MALIN IN SUPPORT OF
GRANT THORNTON LLP'S
MOTION TO DISMISS
PLAINTIFFS' AMENDED
COMPLAINT**

JENNIFER L. MALIN, pursuant to 28 U.S.C. § 1746, hereby declares as follows:

1. I am a member of the Firm of Winston & Strawn LLP, attorneys for Grant Thornton LLP ("Grant Thornton") in the above-captioned action, and am admitted to practice before the courts of the State of New York and the United States District Court for the Southern District of New York. I submit this declaration in support of Grant Thornton's motion to dismiss the complaint for failure to state a claim.

2. Attached hereto as Exhibit A is a true and correct copy of the Amended Complaint as filed by Plaintiffs in the above-captioned action.

3. Attached hereto as Exhibit B is a true and correct copy of a chart of Tarragon Corporation's daily adjusted closing stock prices from January 5, 2005 to August 9, 2007.

4. Attached hereto as Exhibit C is a true and correct copy of FASB Interpretation Number 46 (revised December 31, 2003) Consolidation of Variable Interest Entities ("FIN 46(R)").

5. Attached hereto as Exhibit D is a true and correct copy of Tarragon Corporation's 2005 Form 10-K, filed with the Securities and Exchange Commission on March 16, 2006.

6. Attached hereto as Exhibit E is a true and correct copy of Tarragon Corporation's Form 8-K, filed with the Securities and Exchange Commission on April 2, 2007.

7. Attached hereto as Exhibit F is a true and correct copy of Tarragon Corporation's 2006 Form 10-K, filed with the Securities and Exchange Commission on April 2, 2007.

8. Attached hereto as Exhibit G is a true and correct copy of Public Company Accounting Oversight Board ("PCAOB") Release No. 104-2004-001.

9. Attached hereto as Exhibit H is a true and correct copy of an excerpt from Ernst & Young LLP, *Financial Reporting Developments, FASB Interpretation No. 46, Consolidation of Variable Interest Entities*, (February 2004), also available at http://www.securitization.net/pdf/ey_fin46consolidation_Feb04.pdf.

10. Attached hereto as Exhibit I is a true and correct copy of a report from Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, submitted pursuant to section 2B of the Federal Reserve Act (Feb. 27, 2008), also available at <http://www.federalreserve.gov/boarddocs/hh/2008/february/FullReport.pdf>.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: New York, New York
April 4, 2008

/s/
Jennifer L. Malin (JM-6963)

NY:1163970.1